

**NEGOTIATED APPENDIX  
INTERCARRIER COMPENSATION  
(AFTER FCC ORDER NO. 01-131, AGREEING TO  
EXCHANGE ALL ISP-BOUND and SECTION  
251(b)(5) TRAFFIC AT THE FCC RATES IN  
CERTAIN STATES, WHERE APPLICABLE)**

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## APPENDIX INTERCARRIER COMPENSATION

This Appendix provides for Reciprocal Compensation rates, terms, and conditions for all intercarrier telecommunications traffic exchanged pursuant to the underlying Interconnection Agreement ("Agreement") between Comcast Phone of Wisconsin, LLC as a Competitive Local Exchange Carrier in this state (hereafter, "CLEC") and one of the following AT&T Inc.-owned Incumbent Local Exchange Carriers (hereafter, "ILEC"): Illinois Bell Telephone Company d/b/a SBC Illinois, Indiana Bell Telephone Company Incorporated d/b/a SBC Indiana, Michigan Bell Telephone Company d/b/a SBC Michigan, Nevada Bell Telephone Company d/b/a SBC Nevada, The Ohio Bell Telephone Company d/b/a SBC Ohio, Pacific Bell Telephone Company d/b/a SBC California (a California corporation), The Southern New England Telephone Company (a Connecticut corporation), Southwestern Bell Telephone, L.P. d/b/a SBC Arkansas, SBC Kansas, SBC Missouri, SBC Oklahoma and/or SBC Texas, and/or Wisconsin Bell, Inc. d/b/a SBC Wisconsin (but only to the extent that the agent for the applicable SBC-owned ILEC executed the underlying Agreement for such SBC-owned ILEC). The Parties hereby agree as follows:

WHEREAS, CLEC obtained the underlying Agreement by requesting adoption of an existing Agreement with ILEC pursuant to Section 252(i) of the Federal Telecommunications Act of 1996 (known as the "Most Favored Nations" or "MFN" provision of the Act); and

WHEREAS, on April 18, 2001, the Federal Communications Commission (FCC) adopted its "Order on Remand and Report and Order" in its Intercarrier Compensation proceeding regarding traffic to Internet Service Providers (ISPs) (hereafter, the "ISP Intercarrier Compensation Order");<sup>1</sup> and

WHEREAS, the FCC in that Order suspended MFN requests affecting ISP and other Internet-bound traffic, stating in pertinent part:

*Because we now exercise our authority under section 201 to determine the appropriate intercarrier compensation for ISP-bound traffic, however, state commissions will no longer have authority to address this issue. For this same reason, as of the date this Order is published in the Federal Register, carriers may no longer invoke section 252(i) to opt into an existing interconnection agreement with regard to the rates paid for the exchange of ISP-bound traffic[footnote omitted]. Section 252(i) applies only to agreements arbitrated or approved by state commissions pursuant to section 252; it has no application in the context of an intercarrier compensation regime set by this [Federal Communications] Commission pursuant to section 201 [footnote omitted].<sup>2</sup>*

AND, WHEREAS the rates, terms and conditions for ISP traffic are legitimately-related to all other rates, terms and conditions for intercarrier compensation under the Agreement and have been negotiated in their entirety in this Appendix.

NOW, THEREFORE, ILEC and CLEC agree to the following rates, terms and conditions for all intercarrier traffic, including ISP and Internet-bound traffic, for the duration of the underlying Agreement, intending this document to be executed, filed, and approved as a negotiated Appendix separate from the underlying MFN Agreement.

### 1. SCOPE OF APPENDIX

- 1.1 This Appendix sets forth the terms and conditions for Intercarrier Compensation of intercarrier telecommunications traffic between the applicable AT&T Inc. (SBC) owned Incumbent Local Exchange Carrier and CLEC, but only to the extent they are interconnected and exchanging calls pursuant to a fully

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<sup>1</sup> *In the Matter of Implementation of the Local Competition Provisions in the Federal Telecommunications Act of 1996, Intercarrier Compensation for ISP-Bound Traffic*; CC Docket Nos. 96-98 and 99-68; FCC Order No. 01-131 (released April 27, 2001).

<sup>2</sup> ISP Intercarrier Compensation Order, para 82 (emphasis added).

executed, underlying Interconnection Agreement approved by the applicable state or federal regulatory agency for telecommunications traffic in the applicable state(s).

- 1.2 The provisions of this Appendix apply to telecommunications traffic originated from a facilities based carrier and/or a carrier providing telecommunications services utilizing Lawful Unbundled Network Elements.
- 1.3 The provisions of this Appendix do not apply to traffic originated over services provided under local Resale service. SBC-13STATE will compensate the terminating carrier in accordance with this Appendix for Section 251(b)(5) Traffic, ISP-Bound Traffic, Optional EAS Traffic (also known as "Optional Calling Area Traffic") and IntraLATA Toll Traffic that originates from an end user that is served by a carrier providing telecommunications services utilizing SBC-13STATE's Resale Service.
- 1.4 Any inconsistencies between the provisions of this Appendix and other provisions of the underlying Interconnection Agreement shall be governed by the provisions of this Appendix.

## 2. ILEC DESIGNATIONS

- 2.1 **AT&T Inc. (SBC)** means the holding company which directly or indirectly owns the following ILECs: Illinois Bell Telephone Company d/b/a SBC Illinois, Indiana Bell Telephone Company Incorporated d/b/a SBC Indiana, Michigan Bell Telephone Company d/b/a SBC Michigan, Nevada Bell Telephone Company d/b/a SBC Nevada, The Ohio Bell Telephone Company d/b/a SBC Ohio, Pacific Bell Telephone Company d/b/a SBC California, The Southern New England Telephone Company d/b/a SBC Connecticut, Southwestern Bell Telephone, L.P. d/b/a SBC Arkansas, SBC Kansas, SBC Missouri, SBC Oklahoma and/or SBC Texas and/or Wisconsin Bell, Inc. d/b/a SBC Wisconsin.
- 2.2 SBC-2STATE - As used herein, SBC-2STATE means SBC CALIFORNIA and SBC NEVADA, the applicable SBC-owned ILEC(s) doing business in California and Nevada.
- 2.3 SBC-4STATE - As used herein, SBC-4STATE means Southwestern Bell Telephone, L.P. d/b/a SBC Arkansas, SBC Kansas, SBC Missouri and SBC Oklahoma, the applicable SBC-owned ILEC(s) doing business in Arkansas, Kansas, Missouri and Oklahoma.
- 2.4 SBC-7STATE - As used herein, SBC-7STATE means SBC SOUTHWEST REGION 5-STATE, SBC CALIFORNIA and SBC NEVADA, the applicable SBC-owned ILEC(s) doing business in Arkansas, California, Kansas, Missouri, Nevada, Oklahoma, and Texas.
- 2.5 SBC-8STATE - As used herein, SBC-8STATE means SBC SOUTHWEST REGION 5-STATE, SBC CALIFORNIA, SBC NEVADA, and SBC CONNECTICUT, the applicable SBC-owned ILEC(s) doing business in Arkansas, California, Connecticut, Kansas, Missouri, Nevada, Oklahoma, and Texas.
- 2.6 SBC-10STATE - As used herein, SBC-10STATE means SBC SOUTHWEST REGION 5-STATE and SBC MIDWEST REGION 5-STATE, the applicable SBC-owned ILEC(s) doing business in Arkansas, Illinois, Indiana, Kansas, Michigan, Missouri, Ohio, Oklahoma, Texas, and Wisconsin.
- 2.7 SBC-12STATE - As used herein, SBC-12STATE means SBC SOUTHWEST REGION 5-STATE, SBC MIDWEST REGION 5-STATE and SBC-2STATE, the applicable SBC-owned ILEC(s) doing business in Arkansas, California, Illinois, Indiana, Kansas, Michigan, Missouri, Nevada, Ohio, Oklahoma, Texas, and Wisconsin.
- 2.8 SBC-13STATE - As used herein, SBC-13STATE means SBC SOUTHWEST REGION 5-STATE, SBC MIDWEST REGION 5-STATE, SBC-2STATE and SBC CONNECTICUT, the applicable SBC-owned ILEC(s) doing business in Arkansas, California, Connecticut, Illinois, Indiana, Kansas, Michigan, Missouri, Nevada, Ohio, Oklahoma, Texas, and Wisconsin.

- 2.9 SBC ARKANSAS - As used herein, SBC ARKANSAS means Southwestern Bell Telephone, L.P. d/b/a SBC Arkansas, the applicable SBC-owned ILEC doing business in Arkansas.
- 2.10 SBC CALIFORNIA – As used herein, SBC CALIFORNIA means Pacific Bell Telephone Company d/b/a SBC California, the applicable SBC-owned ILEC doing business in California.
- 2.11 SBC KANSAS - As used herein, SBC KANSAS means Southwestern Bell Telephone, L.P. d/b/a SBC Kansas, the applicable SBC-owned ILEC doing business in Kansas.
- 2.12 SBC ILLINOIS - As used herein, SBC ILLINOIS means Illinois Bell Telephone Company d/b/a SBC Illinois, the applicable SBC-owned ILEC doing business in Illinois.
- 2.13 SBC INDIANA - As used herein, SBC INDIANA means Indiana Bell Telephone Company Incorporated d/b/a SBC Indiana, the applicable SBC-owned ILEC doing business in Indiana.
- 2.14 SBC MICHIGAN - As used herein, SBC MICHIGAN means Michigan Bell Telephone Company d/b/a SBC Michigan, the applicable SBC-owned doing business in Michigan.
- 2.15 SBC MIDWEST REGION 5-STATE - As used herein, SBC MIDWEST REGION 5-STATE means Illinois Bell Telephone Company d/b/a SBC Illinois, Indiana Bell Telephone Company Incorporated d/b/a SBC Indiana, Michigan Bell Telephone Company d/b/a SBC Michigan, The Ohio Bell Telephone Company d/b/a SBC Ohio, and/or Wisconsin Bell, Inc. d/b/a SBC Wisconsin, the applicable SBC-owned ILEC(s) doing business in Illinois, Indiana, Michigan, Ohio, and Wisconsin.
- 2.16 SBC MISSOURI - As used herein, SBC MISSOURI means Southwestern Bell Telephone, L.P. d/b/a SBC Missouri, the applicable SBC-owned ILEC doing business in Missouri.
- 2.17 SBC NEVADA - As used herein, SBC NEVADA means Nevada Bell Telephone Company d/b/a SBC Nevada, the applicable SBC-owned ILEC doing business in Nevada.
- 2.18 SBC OHIO - As used herein, SBC OHIO means The Ohio Bell Telephone Company d/b/a SBC Ohio, the applicable SBC-owned ILEC doing business in Ohio.
- 2.19 SBC OKLAHOMA - As used herein, SBC OKLAHOMA means Southwestern Bell Telephone, L.P. d/b/a SBC Oklahoma, the applicable SBC-owned ILEC doing business in Oklahoma.
- 2.20 SBC CONNECTICUT - As used herein, SBC CONNECTICUT means The Southern New England Telephone Company d/b/a SBC Connecticut, the applicable above listed ILEC doing business in Connecticut.
- 2.21 SBC SOUTHWEST REGION 5-STATE - As used herein, SBC SOUTHWEST REGION 5-STATE means Southwestern Bell Telephone, L.P. d/b/a SBC Arkansas, SBC Kansas, SBC Missouri, SBC Oklahoma and/or SBC Texas the applicable above listed ILEC(s) doing business in Arkansas, Kansas, Missouri, Oklahoma, and Texas.
- 2.22 SBC TEXAS – As used herein, SBC TEXAS means Southwestern Bell Telephone, L.P. d/b/a SBC Texas, the applicable SBC-owned ILEC doing business in Texas.
- 2.23 SBC WISCONSIN - As used herein, SBC WISCONSIN means Wisconsin Bell, Inc. d/b/a SBC Wisconsin, the applicable SBC-owned ILEC doing business in Wisconsin.

### 3. CLASSIFICATION OF TRAFFIC

- 3.1 For purposes of compensation under this Agreement the telecommunications traffic exchanged between CLEC and SBC-13STATE will be classified as either Section 251(b)(5) Traffic, FX Traffic, ISP-Bound Traffic, Optional EAS Traffic (also known as "Optional Calling Area Traffic"), IntraLATA Toll Traffic, or InterLATA Toll Traffic, Meet Point Billing or FGA Traffic.
- 3.2 Section 251(b)(5) Traffic shall mean telecommunications traffic in which the originating End User of one Party and the terminating End User of the other Party are:
- a. both physically located in the same ILEC Local Exchange Area as defined by the ILEC Local (or "General") Exchange Tariff on file with the applicable state commission or regulatory agency; or
  - b. both physically located within neighboring ILEC Local Exchange Areas that are within the same common mandatory local calling area. This includes but is not limited to, mandatory Extended Area Service (EAS), mandatory Extended Local Calling Service (ELCS), or other types of mandatory expanded local calling scopes.
- 3.3 In accordance with the FCC's Order on Remand and Report and Order, In the Matter of Implementation of the Local Compensation Provisions in the Telecommunications Act of 1996, Intercarrier Compensation for ISP-Bound Traffic, FCC 01-131, CC Docket Nos. 96-98, 99-68 (rel. April, 27, 2001) ("FCC ISP Compensation Order"), "ISP-Bound Traffic" shall mean telecommunications traffic exchanged between CLEC and SBC-13STATE in which the originating End User of one Party and the ISP served by the other Party are:
- a. both physically located in the same ILEC Local Exchange Area as defined by the ILEC's Local (or "General") Exchange Tariff on file with the applicable state commission or regulatory agency; or
  - b. both physically located within neighboring ILEC Local Exchange Areas that are within the same common mandatory local calling area. This includes, but it is not limited to, mandatory Extended Area Service (EAS), mandatory Extended Local Calling Service (ELCS) or other types of mandatory expanded local calling scopes.
- In states in which SBC-13STATE has offered to exchange Section 251(b)(5) Traffic and ISP-Bound traffic pursuant to the FCC's interim ISP terminating compensation plan set forth in the FCC ISP Compensation Order, traffic is presumed to be ISP-Bound Traffic in accordance with the rebuttable presumption set forth in Section 6.6 of this Appendix.
- 3.4 The Parties agree that, notwithstanding the classification of traffic under this Appendix, either Party is free to define its own "local" calling area(s) for purposes of its provision of telecommunications services to its end users.
- 3.5 For Section 251(b)(5) Traffic, ISP-Bound Traffic, Optional EAS Traffic, and IntraLATA toll, the Party whose End User originates such traffic shall compensate the Party who terminates such traffic to its End User for the transport and termination of such traffic at the applicable rate(s) provided in this Appendix and Appendix Pricing and/or the applicable switched access tariffs. In SBC CONNECTICUT, when CLEC utilizes SBC CONNECTICUT's Lawful Unbundled Local Switching to provide service to its end users, all Section 251(b)(5) Traffic, ISP-Bound Traffic, Optional EAS Traffic, and IntraLATA Toll Traffic originated by CLEC's end users are not subject to intercarrier compensation as addressed in Section 5.6.4 below.
- 3.6 The Parties' obligation to pay intercarrier compensation to each other shall commence on the date the Parties agree that the interconnection is complete (i.e., each Party has established its originating trunks as well as all ancillary traffic trunking such as Operator Services, 911 or Mass Calling trunks).

#### 4. RESPONSIBILITIES OF THE PARTIES

- 4.1 Each Party to this Agreement will be responsible for sending the Calling Party Number (CPN) for calls originating on its network and passed to the network of the other Party. Each Party to this Agreement will be responsible for passing on any CPN it receives from a third party for traffic delivered to the other Party.
- 4.2 For all traffic originated on a Party's network including, without limitation, Interexchange Circuit-Switched Traffic, IP Traffic and wireless traffic, such Party shall provide CPN as defined in 47 C.F.R. § 64.1600(c) ("CPN") in accordance with Section 2.5. In addition, each Party agrees that it shall not strip, alter, modify, add, delete, change, or incorrectly assign any CPN. CPN shall, at a minimum, include information that accurately reflects the physical location of the end user that originated and/or dialed the call, when including such information is technically feasible. If either party identifies improper, incorrect, or fraudulent use of local exchange services (including, but not limited to PRI, ISDN and/or Smart Trunks), or identifies stripped, altered, modified, added, deleted, changed, and/or incorrectly assigned CPN, the Parties agree to cooperate with one another to investigate and take corrective action.
- 4.3 If one Party is passing CPN but the other Party is not properly receiving information, the Parties will work cooperatively to correct the problem.
- 4.4 For traffic which is delivered by one Party to be terminated on the other Party's network, if the percentage of such calls passed with CPN is greater than ninety percent (90%), all calls delivered by one Party to the other for termination without CPN will be billed as either Section 251(b)(5) Traffic or IntraLATA Toll Traffic in direct proportion to the total MOUs of calls delivered by one Party to the other with CPN. If the percentage of calls passed with CPN is less than 90%, all calls delivered by one Party to the other without CPN will be billed as Intrastate IntraLATA Toll Traffic.

#### 5. RECIPROCAL COMPENSATION FOR TERMINATION OF SECTION 251(b)(5) TRAFFIC

Until and unless SBC-13STATE chooses to offer to exchange Section 251(b)(5) Traffic and ISP-Bound Traffic in a particular state on and after a designated date pursuant to the terms and conditions of the FCC's interim ISP terminating compensation plan, the compensation set forth below in Sections 5.2 through 5.6 will also apply to all Section 251(b)(5) Traffic in Section 3.2 of this Appendix and ISP-Bound Traffic as defined in Section 3.3 of this Appendix in that particular state. At such time as the ILEC chooses to offer to exchange Section 251(b)(5) Traffic and ISP-Bound Traffic in a particular state on and after a designated date pursuant to the terms and conditions of the FCC's interim terminating compensation plan, the compensation set forth below in Sections 5.2 through 5.6 will apply only to Section 251(b)(5) Traffic in that state on the later of (i) the Effective Date of this Agreement and (ii) the effective date of the offer in a particular state. The Parties acknowledge that SBC INDIANA, SBC OHIO, SBC TEXAS, SBC WISCONSIN, SBC ARKANSAS, SBC MICHIGAN, SBC CALIFORNIA and SBC ILLINOIS each have made such offer in its respective state of (i) Indiana, Ohio, Texas and Wisconsin effective on and after June 1, 2003, (ii) Arkansas and Michigan effective on and after July 6, 2003, California effective on and after August 1, 2003, and (iv) Illinois effective on and after September 1, 2003; therefore, the compensation set forth in Sections 5.2 through 5.6 below will apply only to Section 251(b)(5) Traffic in Indiana, Ohio, Texas, Wisconsin, Arkansas, Michigan, California, Illinois and such other state in which SBC-13STATE makes an offer on the later of (i) the Effective Date of this Agreement and (ii) the effective date of the offer in a particular state.

- 5.1 Bifurcated Rates (Call Set Up and Call Duration). The Parties agree to compensate each other for the termination of Section 251(b)(5) Traffic and ISP-Bound Traffic (if applicable in accordance with Section 5.0), on a "bifurcated" basis, meaning assessing an initial Call Set Up charge on a per Message basis, and then assessing a separate Call Duration charge on a per Minute of Use (MOU) basis, where ever per Message charges are applicable. The following rate elements apply, but the corresponding rates are shown in Appendix Pricing:

5.2 Tandem Serving Rate Elements:

5.2.1 Tandem Switching - compensation for the use of tandem switching only.

5.2.2 Tandem Transport - compensation for the transmission facilities between the local tandem and the end offices subtending that tandem.

5.2.3 End Office Switching in a Tandem Serving Arrangement - compensation for the local end office switching and line termination necessary to complete the transmission in a tandem-served arrangement. It consists of a call set-up rate (per message) and a call duration (per minute) rate.

5.3 End Office Serving Rate Elements:

5.3.1 End Office Switching - compensation for the local end office switching and line termination necessary to complete the transmission in an end office serving arrangement. It consists of a call set-up rate (per message) and a call duration (per minute) rate.

5.4 CLEC shall only be paid End Office Serving Rate Elements.

5.5 All ISP-Bound Traffic for a given usage month shall be due and owing at the same time as payments for Section 251(b)(5) under this Appendix. The parties agree that all terms and conditions regarding disputed minutes of use, nonpayment, partial payment, late payment, interest on outstanding balances, or other billing and payment terms shall apply to ISP-Bound Traffic the same as for Section 251(b)(5) Traffic under this Appendix.

5.6 Intercarrier Compensation for Lawful Unbundled Local Switching Traffic

5.6.1 For interswitch Section 251(b)(5) Traffic and ISP-Bound Traffic exchanged between SBC MIDWEST REGION 5-STATE end users and CLEC's end users where CLEC utilizes SBC MIDWEST REGION 5-STATE's Lawful ULS (including UST), such traffic shall be paid for reciprocally at the Lawful ULS Reciprocal Compensation rate contained in Appendix Pricing. For the states of Wisconsin, Michigan and Illinois, the Lawful ULS Reciprocal Compensation rate is the same as the End Office Switching rate found in the Reciprocal Compensation section of Appendix Pricing.

5.6.2 For interswitch Section 251(b)(5) Traffic and ISP-Bound Traffic exchanged between SBC CALIFORNIA, SBC NEVADA and SBC SOUTHWEST REGION 5-STATE end users and CLEC's end users where CLEC utilizes Lawful ULS (including UST) of SBC CALIFORNIA, SBC NEVADA or SBC SOUTHWEST REGION 5-STATE, such traffic shall be paid for reciprocally at the End Office Switching compensation rate contained in the Reciprocal Compensation section of Appendix Pricing.

5.6.3 For the purposes of compensation where CLEC utilizes SBC-12STATE's Lawful ULS (including UST), CLEC has the sole obligation to enter into a compensation agreement with third party carriers that CLEC originates traffic to and terminates traffic from, including traffic carried by Shared Transport Facilities and traffic carried on the IntraLATA Transmission Capabilities. In no event will SBC-12STATE have any liability to CLEC or any third party if CLEC fails to enter into such compensation arrangements. In the event that traffic is exchanged with a third party carrier with whom CLEC does not have a traffic compensation agreement, CLEC will indemnify, defend and hold harmless SBC-12STATE against any and all losses including without limitation, charges levied by such third party carrier. The third party carrier and CLEC will bill their respective charges directly to each other. SBC-12STATE will not be required to function as a billing intermediary, e.g., clearinghouse. SBC-12STATE may provide information regarding such traffic to other telecommunications carriers or entities as appropriate to resolve traffic compensation issues.



5.6.4 In SBC CONNECTICUT, when CLEC utilizes SBC CONNECTICUT's Lawful Unbundled Local Switching to provide service to its end users, SBC CONNECTICUT will be solely responsible for compensating the terminating third party carrier for Section 251(b)(5) Traffic, ISP-Bound Traffic, Optional EAS Traffic and IntraLATA Toll Traffic that originates from CLEC's end users. CLEC utilizing Lawful Unbundled Local Switching can not seek intercarrier compensation from SBC CONNECTICUT for Section 251(b)(5) Traffic, ISP-Bound Traffic, Optional EAS Traffic and IntraLATA Toll Traffic that originates from either an SBC CONNECTICUT end user or a third party carrier's end user.

## 6. RATES, TERMS AND CONDITIONS OF FCC'S INTERIM ISP TERMINATING COMPENSATION PLAN

6.1 The Parties hereby agree that the following rates, terms and conditions set forth in Sections 6.2 through 6.6 shall apply to the termination of all Section 251(b)(5) Traffic and all ISP-Bound Traffic exchanged between the Parties in each of the applicable state(s) SBC-13STATE has made an offer as described in Section 5 above effective on the later of (i) the Effective Date of this Agreement and (ii) the effective date of the offer in the particular state and that all ISP-Bound Traffic is subject to the growth caps and new market restrictions stated in Sections 6.3 and 6.4, below.

6.2 Intercarrier Compensation for all ISP-Bound Traffic and Section 251(b)(5) Traffic

6.2.1 The rates, terms, conditions in Sections 6.2 through 6.6 apply only to the termination of all Section 251(b)(5) Traffic and all ISP-Bound Traffic as defined in Sections 3.2 and 3.3 above and is subject to the growth caps and new market restrictions stated in Sections 6.3 and 6.4 below.

6.2.2 The Parties agree to compensate each other for the transport and termination of all Section 251(b)(5) and ISP-Bound Traffic and traffic on a minute of use basis, at \$.0007 per minute of use.

6.2.3 Payment of Intercarrier Compensation on ISP-Bound Traffic and Section 251(b)(5) Traffic will not vary according to whether the traffic is routed through a tandem switch or directly to an end office switch.

6.3 ISP- Bound Traffic Growth Cap

6.3.1 On a calendar year basis, as set forth below, the Parties agree to cap overall ISP-Bound Traffic minutes of use based upon the 1st Quarter 2001 ISP minutes for which the CLEC was entitled to compensation under its Interconnection Agreement(s) in existence for the 1st Quarter of 2001, on the following schedule:

Calendar Year 2001	1st Quarter 2001 compensable ISP-Bound Traffic minutes, times 4, times 1.10
Calendar Year 2002	Year 2001 compensable ISP-Bound Traffic minutes, times 1.10
Calendar Year 2003	Year 2002 compensable ISP-Bound Traffic minutes
Calendar Year 2004 and thereafter	Year 2002 compensable ISP-Bound Traffic minutes

6.3.2 Notwithstanding anything contrary herein, in Calendar Year 2004, the Parties agree that ISP-Bound Traffic exchanged between the Parties during the entire period from January 1, 2004 until December 31, 2004 shall be counted towards determining whether CLEC has exceeded the growth caps for Calendar Year 2004.

6.3.3 ISP-Bound Traffic minutes that exceed the applied growth cap will be Bill and Keep. "Bill and Keep" refers to an arrangement in which neither of two interconnecting parties charges the other for terminating traffic that originates on the other party's network.

#### 6.4 Bill and Keep for ISP-Bound Traffic in New Markets

6.4.1 In the event the Parties have not previously exchanged ISP-Bound Traffic in any one or more LATAs in a particular state prior to April 18, 2001, Bill and Keep will be the reciprocal compensation arrangement for all ISP-Bound Traffic between the Parties for the remaining term of this Agreement in any such LATAs in that state.

#### 6.5 Growth Cap and New Market Bill and Keep Arrangements

6.5.1 Wherever Bill and Keep for ISP-Bound Traffic is the traffic termination arrangement between the Parties, both Parties shall segregate the Bill and Keep traffic from other compensable traffic either (a) by excluding the Bill and Keep minutes of use from other compensable minutes of use in the monthly billing invoices, or (b) by any other means mutually agreed upon by the Parties.

6.5.2 The Growth Cap and New Market Bill and Keep arrangement applies only to ISP-Bound Traffic, and does not include Optional EAS traffic, IntraLATA Interexchange traffic, or InterLATA Interexchange traffic.

#### 6.6 ISP-Bound Traffic Rebuttable Presumption

6.6.1 In accordance with Paragraph 79 of the FCC's ISP Compensation Order, the Parties agree that there is a rebuttable presumption that any of the combined Section 251(b)(5) Traffic and ISP-Bound Traffic exchanged between the Parties exceeding a 3:1 terminating to originating ratio is presumed to be ISP-Bound Traffic subject to the compensation and growth cap terms in this Section 6.3. Either Party has the right to rebut the 3:1 ISP-Bound Traffic presumption by identifying the actual ISP-Bound Traffic by any means mutually agreed by the Parties, or by any method approved by the Commission. If a Party seeking to rebut the presumption takes appropriate action at the Commission pursuant to Section 252 of the Act and the Commission agrees that such Party has rebutted the presumption, the methodology and/or means approved by the Commission for use in determining the ratio shall be utilized by the Parties as of the date of the Commission approval and, in addition, shall be utilized to determine the appropriate true-up as described below. During the pendency of any such proceedings to rebut the presumption, the Parties will remain obligated to pay the presumptive rates (the rates set forth in Section 5 for traffic below a 3:1 ratio, the rates set forth in Section 6.2.2 for traffic above the ratio) subject to a true-up upon the conclusion of such proceedings. Such true-up shall be retroactive back to the date a Party first sought appropriate relief from the Commission.

6.7 For purposes of this Section 6, all Section 251(b)(5) Traffic and all ISP-Bound Traffic shall be referred to as "Billable Traffic" and will be billed in accordance with Section 15.0 below. The Party that transport and terminates more "Billable Traffic" ("Out-of-Balance Carrier") will, on a monthly basis, calculate (i) the amount of such traffic to be compensated at the FCC's interim ISP terminating compensation rate set forth in Section 6.2.2 above and (ii) the amount of such traffic subject to bill and keep in accordance with Sections 6.3, 6.4 and 6.5 above. The Out-of-Balance Carrier will invoice on a monthly basis the other Party in accordance with the provisions in this Agreement and the FCC's interim ISP terminating compensation plan.

### 7. OTHER TELECOMMUNICATIONS TRAFFIC

7.1 The compensation arrangements set forth in Sections 5 and 6 of this Appendix are not applicable to (i) interstate or intrastate Exchange Access traffic, (ii) Information Access traffic, (iii) Exchange Services for access or (iv) any other type of traffic found to be exempt from reciprocal compensation by the FCC or the Commission, with the exception of ISP-Bound Traffic which is addressed in this Appendix. All Exchange

Access traffic and IntraLATA Toll Traffic shall continue to be governed by the terms and conditions of the applicable federal and state tariffs.

- 7.2 Foreign Exchange (FX) services are retail service offerings purchased by FX customers which allow such FX customers to obtain exchange service from a mandatory local calling area other than the mandatory local calling area where the FX customer is physically located, but within the same LATA as the number that is assigned. FX service enables particular end-user customers to avoid what might otherwise be toll calls between the FX customer's physical location and customers in the foreign exchange. FX Telephone Numbers" (also known as "NPA-NXX" codes) shall be those telephone numbers with different rating and routing points relative to a given mandatory local calling area. FX Telephone Numbers that deliver second dial tone and the ability for the calling party to enter access codes and an additional recipient telephone number remain classified as Feature Group A (FGA) calls, and are subject to the originating and terminating carrier's tariffed Switched Exchange Access rates (also known as "Meet Point Billed" compensation), or if jointly provisioned FGA service, subject to the terms and conditions of Appendix FGA.

7.2.1 FX Traffic is not Section 251(b)(5) Traffic and instead the transport and termination compensation for FX Traffic is subject to a Bill and Keep arrangement.

7.2.2 To the extent that ISP-Bound Traffic is provisioned via an FX-type arrangement, such traffic is subject to a Bill and Keep arrangement.

- 7.3 Private Line Services include private line-like and special access services and are not subject to intercarrier compensation. Private Line Services are defined as dedicated Telecommunications channels provided between two points or switched among multiple points and are used for voice, data, audio or video transmission. Private Line services include, but are not limited to, WATS access lines.

- 7.4 The Parties recognize and agree that ISP and Internet traffic (excluding ISP-Bound Traffic as defined in Section 3.3) could also be exchanged outside of the applicable local calling scope, or routed in ways that could make the rates and rate structure in Sections 5 and 6 above not apply, including but not limited to ISP calls that fit the underlying Agreement's definitions of:

- FX Traffic
- Optional EAS Traffic
- IntraLATA Interexchange Traffic
- InterLATA Interexchange Traffic
- 800, 888, 877, ("8YY") Traffic
- Feature Group A Traffic
- Feature Group D Traffic

- 7.5 The Parties agree that, for the purposes of this Appendix, either Parties' End Users remain free to place ISP calls under any of the above classifications. Notwithstanding anything to the contrary herein, to the extent such ISP calls are placed, the Parties agree that Sections 5 and 6 above do not apply. The Agreement's rates, terms and conditions for FX Traffic, Optional EAS Traffic, 8YY Traffic, Feature Group A Traffic, Feature Group D Traffic, IntraLATA Traffic and/or InterLATA Traffic, whichever is applicable, shall apply.

## 8. **OPTIONAL CALLING AREA TRAFFIC – SBC ARKANSAS, SBC KANSAS, AND SBC TEXAS**

- 8.1 Compensation for Optional Calling Area (OCA) Traffic, (also known as Optional Extended Area Service and Optional EAS) is for the termination of intercompany traffic to and from the Commission approved one-way or two-way optional exchanges(s) and the associated metropolitan area, except mandatory extended traffic as addressed in Sections 3.2 and 3.3 above. The transport and termination rate applies when SBC ARKANSAS, SBC KANSAS or SBC TEXAS transports traffic and terminates it at its own switch.

- 8.2 In the context of this Appendix, Optional Calling Areas (OCAs) exist only in the states of Arkansas, Kansas and Texas, and are outlined in the applicable state Local Exchange tariffs. This rate is independent of any retail service arrangement established by either Party. CLEC and SBC ARKANSAS, SBC KANSAS, and SBC TEXAS are not precluded from establishing its own local calling areas or prices for purposes of retail telephone service; however the terminating rates to be used for any such offering will still be administered as described in this Appendix.
- 8.3 The state specific OCA Transport and Termination rates are outlined in Appendix Pricing.

## 9. MCA TRAFFIC -- SBC MISSOURI

- 9.1 For compensation purposes in the state of Missouri, Section 251(b)(5) Traffic and ISP-Bound Traffic shall be further defined as "Metropolitan Calling Area (MCA) Traffic" and "Non-MCA Traffic." MCA Traffic is traffic originated by a party providing a local calling scope plan pursuant to the Missouri Public Service Commission Orders in Case No. TO-92-306 and Case No. TO-99-483 (MCA Orders) and the call is a Section 251(b)(5) Traffic based on the calling scope of the originating party pursuant to the MCA Orders. Non-MCA Traffic is all Section 251(b)(5) Traffic and ISP-Bound Traffic that is not defined as MCA Traffic.
- 9.1.1 Either party providing Metropolitan Calling Area (MCA) service shall offer the full calling scope prescribed in Case No. TO-92-306, without regard to the identity of the called party's local service provider. The parties may offer additional toll-free outbound calling or other services in conjunction with MCA service, but in any such offering the party shall not identify any calling scope other than that prescribed in Case No. TO-92-306 as "MCA" service.
- 9.1.2 Pursuant to the Missouri Public Service Commission Order in Case No. TO-99-483, MCA Traffic shall be exchanged on a bill-and-keep intercompany compensation basis meaning that the party originating a call defined as MCA Traffic shall not compensate the terminating party for terminating the call.
- 9.2 The parties agree to use the Local Exchange Routing Guide (LERG) to provision the appropriate MCA NXXs in their networks. The LERG should be updated at least forty-five (45) days in advance of opening a new code to allow the other party the ability to make the necessary network modifications. If the Commission orders the parties to use an alternative other than the LERG, the parties will comply with the Commission's final order.
- 9.3 If CLEC provides service via resale or in conjunction with ported numbers in the MCA, the appropriate MCA NXXs will be updated by SBC SOUTHWEST REGION 5-STATE.

## 10. PRIMARY TOLL CARRIER ARRANGEMENTS

- 10.1 In those SBC-13STATEs where Primary Toll Carrier (PTC) arrangements are mandated, for intraLATA Toll Traffic which is subject to a PTC arrangement and where SBC-13STATE is the PTC, SBC-13STATE shall deliver such intraLATA Toll Traffic to the terminating carrier in accordance with the terms and conditions of such PTC arrangement. Upon receipt of verifiable Primary Toll records, SBC-13STATE shall reimburse the terminating carrier at SBC-13STATE's applicable tariffed terminating switched access rates.

## 11. INTRALATA 800 TRAFFIC

- 11.1 The Parties shall provide to each other intraLATA 800 Access Detail Usage Data for Customer billing and intraLATA 800 Copy Detail Usage Data for access billing in Exchange Message Interface (EMI) format. On a monthly basis the Parties agree to provide this data to each other at no charge. In the event of errors, omissions, or inaccuracies in data received from either Party, the liability of the Party providing such data

shall be limited to the provision of corrected data only. If the originating Party does not send an End User billable record to the terminating Party, the originating Party will not bill the terminating Party any interconnection charges for this traffic.

- 11.2 IntraLATA 800 Traffic calls are billed to and paid for by the called or terminating Party, regardless of which Party performs the 800 query. Billing shall be based on originating and terminating NPA/NXX.

## **12. MEET POINT BILLING (MPB) AND SWITCHED ACCESS TRAFFIC COMPENSATION**

- 12.1 Intercarrier compensation for Switched Access Traffic shall be on a Meet Point Billing ("MPB") basis as described below.
- 12.2 The Parties will establish MPB arrangements in order to provide Switched Access Services via the respective carrier's Tandem Office Switch in accordance with the MPB guidelines contained in the Ordering and Billing Forum's MECOD and MECAB documents, as amended from time to time.
- 12.3 Billing for the Switched Exchange Access Services jointly provided by the Parties via MPB arrangements shall be according to the multiple bill/single tariff method. As described in the MECAB document, each Party will render a bill in accordance with its own tariff for that portion of the service it provides. Each Party will bill its own network access service rates. The residual interconnection charge (RIC), if any, will be billed by the Party providing the end office function.
- 12.4 The Parties will maintain provisions in their respective federal and state access tariffs, or provisions within the National Exchange Carrier Association (NECA) Tariff No. 4, or any successor tariff, sufficient to reflect this MPB arrangement, including MPB percentages.
- 12.5 As detailed in the MECAB document, the Parties will exchange all information necessary to accurately, reliably and promptly bill third parties for Switched Access Services traffic jointly handled by the Parties via the Meet Point Billing arrangement. Information shall be exchanged in a mutually acceptable electronic file transfer protocol. Where the EMI records cannot be transferred due to a transmission failure, records can be provided via a mutually acceptable medium. The exchange of Access Usage Records ("AURs") to accommodate MPB will be on a reciprocal, no charge basis. Each Party agrees to provide the other Party with AURs based upon mutually agreed upon intervals.
- 12.6 MPB shall also apply to all jointly provided Switched Access MOU traffic bearing the 900, or toll free NPAs (e.g., 800, 877, 866, 888 NPAs, or any other non-geographic NPAs). The Party that performs the SSP function (launches the query to the 800 database) will bill the 800 Service Provider for this function.
- 12.7 Each Party will act as the Official Recording Company for switched access usage when it is jointly provided between the Parties. As described in the MECAB document, the Official Recording Company for tandem routed traffic is: (1) the end office company for originating traffic, (2) the tandem company for terminating traffic and (3) the SSP company for originating 800 traffic.
- 12.8 SBC-13STATE and CLEC agree to provide the other Party with notification of any discovered errors in the record exchange process within ten (10) business days of the discovery.
- 12.9 In the event of a loss of data, both Parties shall cooperate to reconstruct the lost data within sixty (60) days of notification and if such reconstruction is not possible, shall accept a reasonable estimate of the lost data, based upon no more than three (3) to twelve (12) consecutive months of prior usage data.

**13. COMPENSATION FOR ORIGINATION AND TERMINATION OF INTERLATA TRAFFIC NOT SUBJECT TO MEET POINT BILLING**

- 13.1 Where a CLEC originates or terminates its own end user InterLATA Traffic not subject to Meet Point Billing, the CLEC must purchase FGD access service from SBC-13STATE's state or federal access tariffs, whichever is applicable, to carry such InterLATA Traffic.

**14. INTRALATA TOLL TRAFFIC COMPENSATION**

- 14.1 For intrastate intraLATA toll traffic, compensation for termination of intercompany traffic will be at terminating access rates for Message Telephone Service (MTS) and originating access rates for 800 Service, including the Carrier Common Line (CCL) charge where applicable, as set forth in each Party's Intrastate Access Service Tariff, but such compensation shall not exceed the compensation contained in an SBC-13STATE's tariff in whose exchange area the End User is located.
- 14.2 For interstate intraLATA intercompany service traffic, compensation for termination of intercompany traffic will be at terminating access rates for MTS and originating access rates for 800 Service including the CCL charge, as set forth in each Party's interstate Access Service Tariff, but such compensation shall not exceed the compensation contained in the SBC-13STATE's tariff in whose exchange area the End User is located. Common transport, (both fixed and variable), as well as tandem switching and end office rates apply only in those cases where a Party's tandem is used to terminate traffic.

**15. BILLING ARRANGEMENTS FOR TERMINATION OF SECTION 251(b)(5), OPTIONAL EAS ISP-BOUND AND INTRALATA TOLL TRAFFIC**

- 15.1 In SBC-13STATE, each Party, unless otherwise agreed, will calculate terminating interconnection minutes of use based on standard switch recordings made within the terminating carrier's network for 251(b)(5) Traffic, Optional EAS Traffic, ISP-Bound Traffic and IntraLATA Toll Traffic. These recordings are the basis for each Party to generate bills to the other Party.
- 15.1.1 Where a terminating CLEC is not technically capable of billing the originating carrier through the use of terminating records, SBC-13STATE will provide the appropriate category of originating records to CLEC for the purposes of billing intercarrier compensation.
- 15.1.2 The decision by the CLEC to utilize terminating recordings does not in any way relieve the obligation of the CLEC to exchange the appropriate category of records with other LECs.
- 15.2 In states in which SBC-13STATE has offered to exchange Section 251(b)(5) Traffic and ISP-Bound traffic pursuant to the FCC's interim ISP terminating compensation plan set forth in the FCC ISP Compensation Order, ISP-Bound Traffic will be calculated using the 3:1 Presumption as set forth in Section 6.6 of this Appendix.
- 15.3 The measurement of minutes of use over Local Interconnection Trunk Groups shall be in actual conversation seconds. The total conversation seconds over each individual Local Interconnection Trunk Group will be totaled for the entire monthly bill and then rounded to the next whole minute.
- 15.4 In the event of a loss of data, both Parties shall cooperate to reconstruct the lost data within sixty (60) days of notification and if such reconstruction is not possible, shall accept a reasonable estimate of the lost data, based upon no more than three (3) to twelve (12) consecutive months of prior usage data.

## 16. RESERVATION OF RIGHTS AND SPECIFIC INTERVENING LAW TERMS

- 16.1 The Parties acknowledge that on April 27, 2001, the FCC released its Order on Remand and Report and Order in CC Dockets No. 96-98 and 99-68, *In the Matter of the Local Competition Provisions in the Telecommunications Act of 1996; Intercarrier Compensation for ISP-Bound Traffic* (the "ISP Compensation Order"), which was remanded in *WorldCom, Inc. v. FCC*, No. 01-1218 (D.C. Cir. 2002). The Parties agree that by executing this Appendix and carrying out the intercarrier compensation terms and conditions herein, neither Party waives any of its rights, and expressly reserves all of its rights, under the ISP Compensation Order or any other regulatory, legislative or judicial action, including, but not limited to, the right to elect to invoke (to the extent the ILEC has not already elected to offer to exchange traffic pursuant to the terms and conditions of the FCC's interim ISP terminating compensation plan as of the Effective Date of this Agreement) on a date specified by SBC-13STATE the FCC's interim ISP terminating compensation plan, after which date ISP-Bound traffic exchanged between the Parties will be subject to Sections 6.0 through 6.6 above.
- 16.2 To the extent SBC-13STATE has not already provided notice of its offer to exchange Section 251(b)(5) Traffic and ISP-Bound Traffic pursuant to the terms and conditions of the FCC's interim terminating compensation plan in a particular state as of the Effective Date of this Agreement, SBC-13STATE agrees to provide 20 days advance written notice to the person designated to receive official contract notices in the Interconnection Agreement of the date upon which the SBC-13STATE designates that the FCC's ISP terminating compensation plan shall begin in such state. Notwithstanding anything contrary in this Agreement, CLEC agrees that on the date designated by SBC-13STATE in a particular state, the Parties will begin paying and billing Intercarrier Compensation for ISP-Bound Traffic to each other at the rates, terms and conditions specified in Sections 6.0 through 6.6 above.
- 16.3 SBC-13STATE and CLEC agree to carry out the FCC's interim ISP terminating compensation plan on the date designated by SBC-13STATE in a particular state without waiving, and expressly reserving, all appellate rights to contest FCC, judicial, legislative, or other regulatory rulings regarding ISP -Bound traffic, including but not limited to, appeals of the FCC's ISP Compensation Order. By agreeing to this Appendix, both Parties reserve the right to advocate their respective positions before courts, state or federal commissions, or legislative bodies.
- 16.4 Should a regulatory agency, court or legislature change or nullify the SBC-13STATE's designated date to begin billing under the FCC's ISP terminating compensation plan, then the Parties also agree that any necessary billing true ups, reimbursements, or other accounting adjustments shall be made symmetrically and to the same date that the FCC terminating compensation plan was deemed applicable to all traffic in that state exchanged under Section 251(b)(5) of the Act. By way of interpretation, and without limiting the application of the foregoing, the Parties intend for retroactive compensation adjustments, to the extent they are ordered by Intervening Law, to apply uniformly to all traffic among SBC-13STATE, CLEC and Commercial Mobile Radio Service (CMRS) carriers in the state where traffic is exchanged as Local Calls within the meaning of this Appendix.
- 16.5 The Parties further acknowledge that federal or state court challenges could be sustained against the FCC's ISP Compensation Order in particular, or against ISP intercarrier compensation generally. In particular, a court could order an injunction, stay or other retroactive ruling on ISP compensation back to the effective date of the FCC's ISP Compensation Order. Alternatively, a court could vacate the underlying Order upon which the compensation was based, and the FCC (either on remand or on its own motion) could rule that past traffic should be paid at different rates, terms or conditions.
- 16.6 Because of the possibilities in Section 17.5, the Parties agree that should the ISP Compensation Order be modified or reversed in such a manner that prior intercarrier compensation was paid under rates, terms or conditions later found to be null and void, then the Parties agree that, in addition to negotiating appropriate amendments to conform to such modification or reversal, the Parties will also agree that any billing true

ups, reimbursements, or other accounting adjustments on past traffic shall be made uniformly and on the same date as for all traffic exchanged under Section 251(b)(5) of the Act. By way of interpretation, and without limiting the application of the foregoing, the Parties intend for retroactive compensation adjustments, to apply to all traffic among SBC-13STATE, CLEC, and CMRS carriers in the state where traffic is exchanged as Local Calls within the meaning of this Appendix.

- 16.7 The Parties further acknowledge that the FCC has issued a Notice of Proposed Rulemaking on the topic of Intercarrier Compensation generally. *See, In the Matter of Developing a Unified Intercarrier Compensation Regime*, CC Docket 01-92; established in Notice of Proposed Rulemaking Order No. 01-132, April 27, 2001. In the event that a final, legally binding FCC Order is issued upon the conclusion of that NPRM proceeding and during the term of this Appendix, the Parties agree to conform this Agreement to the compensation procedures set forth in that Order.

## 17. CIRCUIT SWITCHED TRAFFIC

- 17.1 For purposes of this Agreement only, Circuit-Switched Traffic is defined as any traffic that terminates on a Party's circuit switch including, without limitation, traffic routed or transported in whole or in part using Internet Protocol. Notwithstanding anything to the contrary in this Agreement, excluding traffic from exchanges sharing a common mandatory local calling area as defined in SBC's tariffs, all other Circuit-Switched Traffic, as defined above, that originates from an end user physically located in one local exchange and delivered for termination to an end user physically located in a different local exchange ("Interexchange Circuit-Switched Traffic") shall be delivered to the terminating Party over feature group access trunks per the terminating Party's access tariff(s) and shall be subject to applicable intrastate and interstate switched access charges; provided, however, the following categories of Interexchange Circuit-Switched Traffic are not subject to the above stated requirement relating to routing over feature group access trunks:
- (i) IntraLATA toll Traffic or Optional EAS Traffic from a CLEC end user that obtains local dial tone from CLEC where CLEC is both the Section 251(b)(5) Traffic provider and the intraLATA toll provider,
  - (ii) IntraLATA toll Traffic or Optional EAS Traffic from an SBC end user that obtains local dial tone from SBC where SBC is both the Section 251(b)(5) Traffic provider and the intraLATA toll provider;
  - (iii) Interexchange Circuit Switched Traffic delivered to SBC from an Interexchange Carrier (IXC) where the terminating number is ported to another CLEC and the IXC fails to perform the Local Number Portability (LNP) query; and/or
  - (iv) Interexchange Circuit Switched Traffic delivered to either Party from a third party competitive local exchange carrier over interconnection trunk groups carrying Section 251(b)(5) Traffic and ISP-Bound Traffic (hereinafter referred to as "Local Interconnection Trunk Groups") destined to the other Party.
- 17.2 In the limited circumstances in which a third party competitive local exchange carrier delivers Interexchange Circuit-Switched Traffic as described in Section 1.1 (iv) above to either Party over Local Interconnection Trunk Groups, such Party may deliver such Interexchange Circuit-Switched Traffic to the terminating Party over Local Interconnection Trunk Groups. If it is determined that such traffic has been delivered over Local Interconnection Trunk Groups, the terminating Party may object to the delivery of such traffic by providing written notice to the delivering Party pursuant to the notice provisions set forth in the General Terms and Conditions and request removal of such traffic. The Parties will work cooperatively to identify the traffic with the goal of removing such traffic from the Local Interconnection Trunk Groups. If the delivering Party has not removed or is unable to remove such Interexchange Circuit-Switched Traffic as described in Section 1.1(iv) above from the Local Interconnection Trunk Groups within sixty (60) days of receipt of notice from the other party, the Parties agree to jointly file a complaint or any other appropriate action with the applicable Commission to seek any necessary permission to remove the traffic from such interconnection trunks up to and including the right to block such traffic and to obtain compensation, if appropriate, from the third party competitive local exchange carrier delivering such traffic to the extent it is not blocked.



- 17.3 The Parties agree that all traffic is presumed to be Circuit-Switched Traffic unless the Party delivering the traffic affirmatively demonstrates to the terminating Party by providing auditable records including, but not limited to, call detail records, that provide sufficient information that the traffic qualifies as "IP Traffic" (as defined below). Once the delivering Party affirmatively demonstrates traffic is "IP Traffic," the delivering Party shall deliver such traffic over separate and distinct Feature Group D access trunks and facilities per the other Party's tariffs until such time as an Internet Protocol access product may be purchased from the other Party's tariffs. Either Party may audit at any time the delivery of such traffic by the other Party over Feature Group D access trunks or the Internet Protocol access product (when available), whichever is applicable, to determine if it qualifies as IP Traffic (as defined below) in accordance with the audit provisions in the General Terms and Conditions of this Agreement.

## 18. IP TRAFFIC

- 18.1 For purposes of this Agreement only, "IP Traffic" is limited to traffic originated on customer premises equipment of the end user that originated and/or dialed a call in the Internet Protocol format and transmitted to the switch of a provider of voice communication applications or services when such switch utilizes Internet Protocol. The Parties have been unable to agree as to whether and under what circumstances IP Traffic should be subject to switched access charges. Without waiving any rights with respect to either Party's position, the Party delivering IP Traffic for termination ("Non-Paying Party") shall pay into an interest bearing escrow account with a Third Party escrow agent mutually agreed upon by the Parties an amount equal to the intrastate and interstate switched access charges that applies to such IP Traffic based on its jurisdictional nature. To be acceptable, the escrow account must be an interest bearing account, all charges associated with opening and maintaining the escrow account must be borne by the Non-Paying Party, all interest earned on deposits to the escrow accounts will be disbursed to the Parties in the same proportion as the principal, and disbursements from the escrow account will be limited to those authorized in writing by the Non-Paying Party or upon receipt of any effective and applicable FCC rules or order regarding compensation for IP Traffic.

## 19. ADDITIONAL TERMS AND CONDITIONS

- 19.1 Legitimately Related Terms. Every interconnection, service and network element provided here shall be subject to all rates, terms and conditions contained in the underlying Interconnection Agreement which are legitimately related to such interconnection, service or network element. Without limiting the general applicability of the foregoing, the following terms and conditions of the General Terms and Conditions are specifically agreed by the Parties to be legitimately related to, and to be applicable to, each interconnection, service and network element provided hereunder: definitions, interpretation, construction and severability; notice of changes; general responsibilities of the Parties; effective date, term and termination; fraud; deposits; billing and payment of charges; non-payment and procedures for disconnection; dispute resolution; audits; disclaimer of representations and warranties; limitation of liability; indemnification; remedies; intellectual property; publicity and use of trademarks or service marks; no license; confidentiality; intervening law; governing law; regulatory approval; changes in End User local exchange service provider selection; compliance and certification; law enforcement; no third party beneficiaries; disclaimer of agency; relationship of the Parties/independent contractor; subcontracting; assignment; responsibility for environmental contamination; force majeure; taxes; non-waiver; network maintenance and management; signaling; transmission of traffic to third parties; customer inquiries; expenses; conflicts of interest; survival; scope of agreement; amendments and modifications; and entire agreement.
- 19.2 Entire Agreement. This Reciprocal Compensation Appendix is intended to be read in conjunction with the underlying Interconnection Agreement between SBC-13STATE and CLEC, but that as to the Reciprocal Compensation terms and conditions, this Appendix constitutes the entire agreement between the Parties on these issues, and there are no other oral agreements or understandings between them on Reciprocal Compensation that are not incorporated into this Appendix.